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## Sessions Delivers Opening Remarks at First Budget Hearing of 112th Congress

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**WASHINGTON—U.S. Senator Jeff Sessions (R-AL), incoming Ranking Member of the Senate Budget Committee, delivered an opening statement at today's hearing, prior to the testimony of Federal Reserve Chairman Ben Bernanke, concerning America's economic situation and growing debt.**

**Sessions' remarks, as prepared, follow:**

"Thank you Mr. Chairman. I respect you, value our friendship, and look forward to working with you to make our country better. I must note how much I have admired our former ranking member, Judd Gregg. His leadership was particularly valuable; people listened to him and trusted his judgment. He was a great Ranking Member.

I want, at this time, to share some thoughts and concerns.

Today is our committee's first hearing of the 112th Congress. We meet on the heels of a historic election. The American people rebelled against wasteful Washington spending and a government that has grown too large and too intrusive.

The American people also rebelled against a political establishment that has placed our country on a path to fiscal decline. Solving our nation's economic and debt crisis is about more than economics: it's about protecting our way of life at home and our standing abroad; it's about an honest and moral policy.

Our goal is not an era of austerity but an era of prosperity. Restoring fiscal discipline and strengthening the private sector is the only way to create growth and opportunity for every hardworking American—and it is the only way to preserve our country's greatness and its vital role in the world.

To solve our problems we must speak about them candidly. Our nation's debt will soon equal the size of our entire economy. Forty percent of our budget relies on borrowed funds. In 2009, the interest on our debt alone cost \$187 billion, and the Congressional Budget Office projects that, under the President's budget, these interest payments will climb to \$916 billion by 2020.

We are on a path that is unsustainable. The only real question is how much road is left between us and the edge of the cliff.

The American people understand the situation. They understand that years of unchecked federal spending has squandered our nation's wealth and threatened our children's future. Fundamentally, this is immoral—taking wealth from our children so it can be enjoyed today.

The American people understand what elites in Washington seem to forget: You can only live beyond your means for so long. Eventually, the bill comes due.

Consider the housing bubble. For years, Congress delayed action to address the unfolding catastrophe at Fannie Mae and Freddie Mac. The Federal Reserve was asleep at the switch and failed to sound the alarm.

And then, one day, the bubble burst—and the whole world changed.

No one knows exactly what will happen if we continue spending on our current course. But we must not find out.

James Bacon wrote a recent piece in the Washington Times describing some of the worst potential consequences if we fail to act:

*'One day, the Treasury will hold an auction, and there won't be any buyers. The Federal Reserve will step in as a buyer of last resort, conjuring money from the ether to buy the bonds. The injection of massive liquidity into the financial system will trigger fears of hyperinflation, causing the dollar to plunge and interest rates to rise.'*

*'If the resources of the European Union and International Monetary Fund are stretched to rescue the finances of tiny Greece and Ireland... the United States will be not only too big to fail but too big to bail out... Absent emergency action by the government, the economy will plunge into a depression roughly three times more acute than the recession we just experienced.'*

Barron's also published an editorial warning of a similar 'hyperinflationary spiral.' The writer explained that while the Federal Reserve can monetize the debt, historically a "break point occurs when a government borrows an amount equal to 40% of its expenditures for an extended period of years."

In a recent interview, Chairman Bernanke, you said you were "100 percent" confident the Fed could prevent such inflation. But the 'Masters of the Universe' in Washington have been wrong many times before just as they were about the housing bubble.

And while we can debate just how great and imminent the risk is, there is no debating what the American people have declared in poll after poll: we are on the wrong track.

But where is the leadership from this administration?

Just last December the President would only agree to maintain current tax rates if Congress agreed to new spending that would add another \$250 billion to the debt.

Instead of slowing down, President Obama hit the accelerator. But simply easing off the pedal won't solve our problem. When you're driving toward a cliff at ninety miles per hour you can't just slow down to sixty. You need to hit the brakes and steer onto the right road. For too long, Washington compromise has changed only the pace—and not the direction—we are going.

But last November the American people said “enough.”

They sent Congress a new freshman class with a clear set of instructions. Those instructions include a budget that changes our trajectory and genuinely reduces the size, cost, and burden of government.

We can learn from those who are setting a strong example. In New Jersey, Governor Chris Christie has a plan to close his state's funding gap without raising taxes. In Britain, the new conservative government has a plan to reduce their deficit from ten to four percent of GDP in just four years.

As Britain's Chancellor of the Exchequer, George Osborne, said: “It is a hard road, but it leads to a better future.”

Yet some argue that reducing government spending will reduce our quality of life. But the surest way to lower the quality of life in America is to continue on our current course: spending without restraint, crushing private enterprise, and mortgaging the inheritance of our children.

The challenges ahead may be difficult, but the choices we face are not. We need to limit government, control spending, and create an environment where the free market can thrive and flourish. It is a roadmap our Founders laid out more than two centuries ago. There is no doubt it will work again: America's progress is not a thing of the past.

But to achieve this progress, we can no longer compromise on our nation's founding principles. Instead, we must fight for them and, in so doing, hope to find common ground.

Chairman Bernanke, I look forward to discussing these and other issues with you today. And I look forward to getting your thoughts on how you and the administration plan to put our nation on a sound financial path.

Thank you.”

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